



OFFICE OF THE MAYOR  
550 MAIN STREET  
HARTFORD, CONNECTICUT 06103

EDDIE A. PEREZ  
MAYOR

Telephone: (860) 543-8500  
Fax: (860) 722-6606

Michael K. Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**MB Docket No. 04-207**

Dear Chairman Powell:

Recently, Congress proposed an "a la carte" alternative to the current cable system. I am writing to express my concern and the concern of many citizens of Hartford over the "a la carte" alternative. Its enactment would undermine the progress our country has made in diversifying its television programming and would further exclude economically challenged consumers from subscribing to cable services. I am writing to you to urge you to stand against the proposal.

The finest quality of our current cable system is its ever increasing diversity. Over the past twenty years, the number of cable program networks has grown from 28 to 339, with the array of programs offered on existing networks dramatically increasing annually. As programs have diversified, American consumers have benefited from exposure to important channels that support varied voices, such as BET, Telemundo, TV One, ESPN Deportes, C-SPAN and The Learning Channel. Correspondingly, the viewing of cable programming has steadily increased.

As you are aware, the economics of the cable industry are based on licensing agreements between cable programmers and operators, the cost of which are passed onto consumers, and national and local advertising. Advertising earnings are generally based on the number of viewers a channel attracts. If a channel appeals to a specialized audience, under the "a la carte" system, its viewer-ship will decline, as occasional viewers today would no longer subscribe. Loss of these viewers and those who might watch these channels regularly and not when offered "a la carte" will severely reduce advertising revenue and increase the cost of licensing agreements and the costs passed onto consumers.

Further, if channels do not have adequate revenue, the quality and diversification of programming will decrease. Judith McHale, President of Discovery Communications, has argued that "Discovery's award-winning networks will not exist in an *a la carte*

environment and consumers will have lost the channels they regard as the pre-eminent source of high quality, family-friendly programming." Many of these channels will be forced out of business. We will no longer be able to enjoy the diverse programming of today or consumers will be forced to pay a higher price in order to enjoy specialty channels.

Without an adequate number of subscriptions, revenue would decline, the cost of subscription would increase and specialty channels would consequently be put out of business. Thus, the channels that appeal to more specialized audiences, particularly ethnic, foreign-language and niche programming, would have trouble attracting enough subscribers to survive. Ultimately, this situation would result in generic and low quality programming aimed at the majority.

The City of Hartford, like so many of the cities around our nation, is home to a diverse community, both ethnically and economically. I fear that an "a la carte" system would affect residents who enjoy specialty programming aimed at ethnic diversity by making those channels financially inaccessible or by driving those channels from the cable market. In short it would deprive a large portion of our community from taking advantage of diverse programming on cable television.

I implore you to reject the "a la carte" system and help keep diverse and affordable programming on the air. Thank you for your attention to this matter, please do not hesitate to contact me if I may be of assistance.

Sincerely,

Eddie A. Perez  
Mayor

